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JAMES L. BRULTE
SENATE REPUBLICAN LEADER
SENATOR, THIRTY-FIRST DISTRICT

July 24, 2001

Honorable Gray Davis
Governor of California
State Capitol
Sacramento, CA 95814

Dear Governor Davis:

There are several measures that will soon come before you for signature that would undermine the historic welfare reform act signed by President Clinton in 1996. We urge you to carefully review and veto those that would weaken what is arguably the most effective and cost saving government reform package in a generation.

The first is AB 429 – the social services budget trailer bill. As part of the welfare reform program, Congress eliminated cash assistance and food stamps for specified individuals granted legal US residence after 1996. This was done to hold sponsors financially responsible should those they sponsored require such assistance at a later date. These financial commitments were made to the US Government and had a direct bearing on the outcome of residency applications.

Currently, these sponsorship provisions are enforceable under federal law. AB 429, however, completely undermines them by creating a California-only program that would indefinitely extend cash assistance and food stamp benefits. In other words, California would absolve sponsors of their financial, legal and moral responsibilities while forcing California taxpayers to foot the bill. The total cost for these exemptions would be over \$100 million over the next three years alone.

AB 429 also seeks to eliminate a \$250 million incentive appropriation to counties for the development and implementation of programs to reduce welfare dependency, abuse and costs. Not only would this renege on a deal made with local governments, it would remove the incentive for counties to develop innovative welfare reform programs.

Provisions in other budget-related measures also seek to undermine welfare fraud detection efforts. CALWORKS recipients are currently required to provide fingerprints as a condition of eligibility. Proposed amendments to AB 444 would waive this requirement, making it easier to game the system and receive multiple benefits. The bill also seeks to extend the employment

services timeline for CalWORKs recipients. At the same time, amendments to another bill, AB 144, would triple the resource limit for automobiles. These three changes would likely result in much higher welfare costs.

The budget also proposes to redirect \$66 million of education money to child care programs. While well-intentioned, this action sets a precedent that would make Stage 3 childcare a permanent entitlement program. Rather than blindly rushing forward to do this, the state should review alternatives in this area that will better serve children, parents, and taxpayers.

In just three years, California government has increased General Fund spending for Human Services and Health programs by more than \$6.4 billion (32%). The enactment of AB 429 and other budget-related measures would rapidly increase this number. This is something that California taxpayers simply cannot afford to do.

It is essential that we preserve the integrity of both state assistance and welfare reform. For these reasons, we urge you to veto AB 429 and closely review the above referenced measures should they come before you for signature.

Sincerely,


JAMES L. BRULTE
Senate Republican Leader


DAVE COX
Assembly Republican Leader